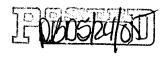


DAN E ARNETT
CHIEF OF STAFF

Phone: (803) 737-0800 Fax: (803) 737-0801





May 24, 2005

The Honorable Charles L.A. Terreni Chief Clerk & Administrator Public Service Commission of South Carolina 101 Executive Center Drive Columbia, South Carolina 29210

Re:

Application of Piedmont Natural Gas Company, Inc. for Approval of Modifications to Its Experimental Hedging Plan.

Docket No. 2005-146-G

Dear Mr. Terreni,

The South Carolina Office of Regulatory Staff ("ORS") has met with representatives of Piedmont Natural Gas Company regarding the above referenced matter. ORS has no objections to approval of the requested modifications to its Experimental Hedging Plan on an interim basis.

However, we would request that the results of this matter be included for review in Piedmont Natural Gas Company's 2006 Annual Review of Purchased Gas Adjustment ("PGA") and Gas Purchasing Policies. At that time, the modifications would be reviewed after being in place for a winter period.

Sincerely,

John W. Flitter

JWF/

cc: Dan F. Arnett, Chief of Staff, SC ORS

Florence Belser, General Counsel, SC ORS

Kerry B. McTigue, Esquire